



Advisory

CALIFORNIA REFORMULATED GASOLINE REGULATIONS: DESIGNATED ALTERNATIVE LIMITS

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COMPLIANCE DIVISION POLICY AND PROCEDURES FOR AVERAGING OF REFORMULATED GASOLINE

Beginning March 1, 1996, gasoline produced for sale in California will be California Reformulated Gasoline (CaRFG) as required by regulations adopted by the Air Resources Board (ARB). This advisory is for anyone who produces or imports California reformulated gasoline beginning March 1, 1996, and who chooses to use the compliance option of Designated Alternative Limit (DAL) as specified in Section 2264 of Title 13, California Code of Regulations, for averaging gasoline properties. This advisory addresses specific questions asked by members of the gasoline manufacturing industry and clarifies certain provisions of the RFG regulation on averaging.

IN WHAT FORM MUST DAL PROPERTIES BE REPORTED?

Attached is a suggested notification form for reporting averaging properties. Producers can modify the form to suit their particular operating situations but the reporting items are all required by regulation. The form is to be faxed to the Compliance Division at (916) 445-0884. The back-up fax number is (916) 445-5745. In case of problems with both fax machines, a voice mail message may be left at (916) 445-0648.

As stated in section 2264, notification shall be received by the ARB before the start of physical transfer of the gasoline from the production or import facility, and in no case less than 12 hours before the producer or importer either completes physical transfer or commingles the final blend.

HOW WILL ARB TRACK AND AVERAGE DAL STANDARDS?

The Compliance Division will use PACE-CTR Software system for CARB compliance tracking and reporting. Refiners and producers may use any software, spreadsheets, programs or procedures as long as the calculations yield the same bank balances for the averaging properties. Compliance Division has a set of test data available to anyone wishing to compare their method with the one ARB is using.

All the credit qualities of a batch will be added to the bank on the date of the completion of physical transfer. All the deficit qualities will be subtracted from the bank on the date of the start of physical transfer. ARB will not track hours and minutes of the day.

For deficit batches, the 90 day offset time period will be calculated by assigning the day of the deficit batch to be "day zero."

For sulfur DAL calculations, the simple method will be used for averaging sulfur credits and deficits. The simple method assumes that the density of all gasoline blends is constant and will be calculated as follows:

$$[(\text{sulfur average specification, weight ppm}) - (\text{sulfur designated alternative limit, weight ppm})] \times [\text{barrels of gasoline sold or supplied}] = \text{credit or deficit.}$$

Credits will be expressed as positive values and deficits as negative values.

Bank balance statements for the averaging properties will be available on a periodic basis.

Reconciliation of bank balances: ARB will review any discrepancies to determine the source of the problem. ARB will work with the company to resolve any discrepancies.

HOW SHOULD START AND END OF TRANSFER DATES BE REPORTED?

The regulation states that for averaging, within 90 days before or after the START of physical transfer of a DEFICIT batch, the producer shall COMPLETE physical transfer of sufficient quantity of CREDIT gasoline to offset the deficit. The reporting requirements for starts and completions are found in Section 2264(a)(2)(B). Start and end of transfer dates are to be reported by fax.

REPORTING OF ACTUAL VOLUMES?

Section 2264(a)(2)(A) states that if a producer or importer does not notify the Air Resources Board WITHIN 48 HOURS after the completion of physical transfer, the reported estimated volume shall be deemed the reported ACTUAL volume.

WHAT IF A REPORTED DATA NEEDS TO BE CHANGED?

A producer or importer who wishes to correct or amend data already reported to the ARB must notify the Compliance Division as soon as possible of the changed data and must provide a written explanation of the cause of the change. These changes will be handled on a case by case basis.

WHAT ABOUT PROTOCOLS WITH THE ARB?

Any producer or importer experiencing difficulty meeting the reporting requirements due to special operating practices or process configuration may consider having a protocol with the ARB. Section 2264(a)(4) and 2265(a)(4) state that the ARB may enter into a written protocol with any individual producer or importer for the purpose of specifying how certain reporting requirements shall be applied to the producer's or importer's particular operation.

DO YOU HAVE ANY COMMENTS OR SUGGESTIONS?

Because this is the start of a new program, we recognize that actual use and practice will reveal improvements that can be made. We welcome any comments you may have which would help us improve and streamline the process.

If you have any questions about this advisory, please contact Chuck Beddow, Manager, Field Enforcement Section at (916) 322-6033. Written inquiries may be addressed to:

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California Cleaner-Burning Gasoline
Designated Alternative Limits Report Form

Fax This Form To: (916) 445-0884

Backup Fax: (916) 445-5745

Telephone: (916) 445-0648

Company Name _____

Facility: _____

Company ID #: _____

Facility ID #: _____

Name of Person Reporting: _____

Telephone: _____

Batch #: _____

Tank #: _____

Grade of Gasoline: _____

If this report is for a predictive model, enter formulation #: _____

DAL NOTIFICATION:

Estimated Volume: _____ (barrels)

Olefins*: _____ (% v)

Aromatics*: _____ (% v)

Sulfur*: _____ (ppm)

Benzene*: _____ (% v)

T50*: _____ (°F)

* enter "flat" if using flat limit rather than averaging

T90*: _____ (°F)

START OF TRANSFER: Date: _____ Time: _____

END OF TRANSFER: Date: _____ Time: _____

ACTUAL VOLUME: _____ (barrels)

Comments: _____